

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: ZONE TELECOM, INC.	DOCKET NO. WRU-00-85-3475
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ORDER GRANTING WAIVER

(Issued January 17, 2001)

On December 15, 2000, Zone Telecom, Inc. (Zone), filed with the Utilities Board (Board) a request for a waiver of 199 IAC 22.23(2). The subrule requires individual customer verification to change the customer's local or long distance provider. Zone states that it purchased The Furst Group, Inc. (Furst), including Furst's customer base of 259 customers. Furst was a long distance provider in the state of Iowa and Zone intends to continue to provide that service.

Zone states that the rates, terms, and conditions of service to Furst customers will remain the same. Notices have been provided to Furst customers that their long distance carrier would be changed, and the customer has the right to choose another long distance carrier. Zone states that on September 1, 2000, the Federal Communications Commission granted a waiver of its customer verification rules (CC Docket No. 94-129). Zone will reimburse one PIC charge to Iowa customers who change long distance carriers within 60 days of the notice.

Rule 199 IAC 22.23(2) requires that all of the customers of Furst give prior written or recorded verification before they can be lawfully transferred. Zone is requesting a waiver of that requirement. Zone states that it would be an undue hardship for it to obtain customer verification from the approximately 259 customers.

The Board finds that the waiver request should be granted as it complies with the provisions of 199 IAC 1.3. The waiver is similar to the waiver granted in Docket No. SPU-99-29, when GTE Midwest Incorporated was purchased by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom. In that docket, the Board found that it would be undue hardship for a company in these circumstances to obtain the individual waivers.

The Board finds that the waiver will not affect the substantial legal rights of customers. The verification rules are intended to prevent the unauthorized change of long distance service, where the acquiring company has no business relationship to the current provider and the change is to acquire customers fraudulently. In this instance, Zone has purchased the assets of Furst and intends to continue providing long distance service.

Additionally, the Board finds that the verification requirement in these circumstances is not specifically mandated by statute or other provision of law and that substantial equal protection of public health, safety, and welfare will be afforded by means other than the waived rule. For the above reasons, the Board will waive the provisions of 199 IAC 22.23(2) as requested by Zone.

IT IS THEREFORE ORDERED:

The request for waiver of 199 IAC 22.23(2) filed by Zone Telecom, Inc., on December 15, 2000, to allow the transfer of customers from The Furst Group, Inc., to Zone Telecom, Inc., without written or recorded verification is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

ATTEST:

/s/ Judi K. Cooper /s/ Diane Munns
Acting Executive Secretary

Dated at Des Moines, Iowa, this 17th day of January, 2001.